

# **City of Durham**

# Proposed Neighborhood Revitalization Strategy Area (NRSA) Plan for the Southside Neighborhood

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# Acknowledgement

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# <u>Introduction</u>

The Southside neighborhood has been the subject of much planning and research over the past several years. Recent steering committee meetings involving community stakeholders, area residents, and City staffers have highlighted the positive attributes and the challenges facing this community and have provided a forum for discussing ways of building on the positive and possible solutions to the challenges. Developers and City planners have generated a variety of redevelopment plans, culminating in the current plan of action focused on a "tipping point" project of 250 rental and 40 homeownership units in the Southside neighborhood. As used in this context, "tipping point" means that point in the market place where private investment can be attracted with declining levels of subsidy as a result of a catalytic public investment.

For this progress to be meaningful, it needs to be conducted within the context of a comprehensive neighborhood revitalization strategy and must be supported by adequate financial backing — the area has experienced such high levels of disinvestment that outside funding must be leveraged. The redevelopment of the Southside community will require that both public and private organizations work together: the City of Durham is partnering with the Center for Community Self Help and developers McCormack Baron Salazar on the project area. The end objective is to increase private investment in these neighborhoods, as well as to add to the affordable housing stock.

Designating a community as a Neighborhood Revitalization Strategy Area (NRSA) allows it to be targeted for more intensive, comprehensive economic development. This process provides a detailed assessment of the neighborhood's current economic status, and provides benchmark goals for future improvements. The addition of an NRSA designation to the revitalization plan currently in progress for the Southside neighborhood will allow for more flexible expenditure of CDBG funds – in this case, allowing them to be used as gap financing for the tipping point project.

Benefits of a Neighborhood Revitalization Strategy Area (NRSA)

NRSA benefits are described in amendments to the Community Development Block Grant (CDBG) regulations at 24 CFR 570, which were published in the Federal Register on January 5, 1995 and updated in the final rule changes published in the November 9, 1995 Register. They include:

- Job Creation/Retention as Low/Moderate Income Area Benefit: Job creation/retention activities undertaken pursuant to the strategy may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the incomes of persons that take, or are considered for such jobs (24 CFR 570.208(a)(1)(vii) and (d)(5)(i));
- 2. Aggregation of Housing Units: Housing units assisted pursuant to the strategy can be considered to be part of a single structure for the purposes of applying the

- **3.** low-and moderate- income national objective criteria. This provides a greater flexibility to carry out housing programs that revitalize a neighborhood (24 CFR 570.208(a)(3) and (d)(5)(ii));
- **4. Aggregate Public Benefit Standard Exemption:** Economic Development activities carried out under the strategy may, at the grantee's option, be exempt from aggregate public benefit standards, this increasing a grantee's flexibility for program design as well as reducing record-keeping requirements related to the public benefit standard(24 CFR 570.209(b)(2)(v)(L) and (M); and
- **5. Public Service Cap Exemption:** Public services carried out pursuant to the strategy by a Community Based Development Organization (CBDO) are exempt from the 15% public service cap (24 CFR 570.204(b)(2)(ii).

The document that follows describes the NRSA boundaries, demographic criteria, the community consultation process, the housing and economic features of the neighborhoods, the economic empowerment strategy to be pursued in the area, and performance measurement benchmarks for evaluating the success of implemented programs.

### Strategy Criteria

### **Boundaries**

The NRSA boundaries of the Southside neighborhood are somewhat smaller than existing census block group boundaries – therefore, the assessment of the prospective NRSA that is based on census data includes some land outside neighborhood boundaries, such as the American Tobacco Campus area, a mixed-use development. The proposed NRSA, which covers about 125 acres, is located south of the Durham Freeway – just south of downtown Durham, with the attendant transportation and commercial access that area provides. Zoning in the NRSA is almost completely residential, with minimal commercial zoning; the Downtown Design District-zoned area also overlaps with the NRSA.

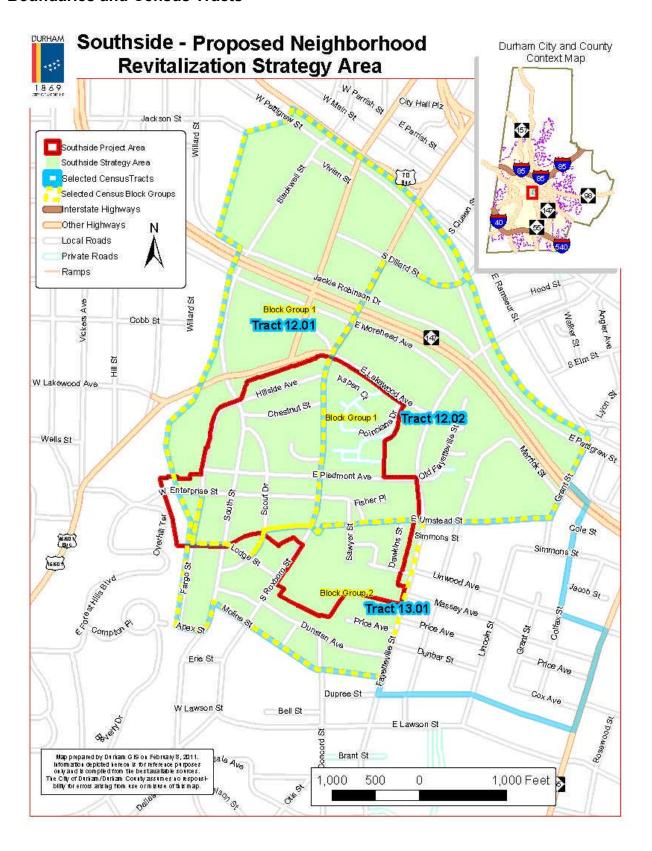
The Southside neighborhood is bounded by Lakewood Avenue to the north, and (roughly) Umstead Street to the south. Its western limit is Fargo Street, and its eastern limit is the Fayetteville Street corridor, which connects downtown Durham to the North Carolina Central University campus (to the south of the NRSA). It is contiguous with Rolling Hills in its northeast corner, and is surrounded by other residential areas, including the Forest Hills neighborhood, as well as commercial uses. Commercial establishments within the area's boundaries include a small strip center on Roxboro Street and a small corner store in the neighborhood's interior. The neighborhood is roughly a block south of downtown Durham's amenities, including the American Tobacco Campus development.

A range of other uses and neighborhoods surrounds the Southside neighborhood. The NRSA will abut the Forest Hills Heights neighborhood – a senior residential community and the Heritage Square commercial plaza to the north, both of which lie just south of

the Durham Freeway. To the east, the NRSA is bounded by the Fayette Corridor, along which lie the Hayti Heritage Center, the Stanford L. Warren branch of Durham County libraries, Lincoln Community Health Center, and the Phoenix Crossing shopping center; to the west, the NRSA is bounded by the American Tobacco Trail, which separates Southside from the Forest Hills neighborhood. The NRSA ends to the south at Hillside Park, located adjacent to the former Whitted School building, which is subject to future redevelopment. This area is also primarily residential, and includes the North Carolina Central University Campus.

The NRSA designation can only be applied to neighborhoods with 70% of households at low to moderate incomes (LMI). As of the 2000 Census, Durham County's median household income was \$43,337; 80% of this would be an annual household income of \$34,669.60. Across the block groups represented in the NRSA, 81% of household incomes fall under \$35,000.

### **Boundaries and Census Tracts**



# **Demographic Criteria**

According to the 2000 US Census, 3,033 individuals, 956 households, or 610 families live in the block groups roughly corresponding to the Southside neighborhood. The table below shows the racial/ethnic breakdown by block group.

Figure 1: NRSA Racial/Ethnic Population Breakdown

Block Group	Population	White	)	Black		Hispai	nic/Latino
12.011	1444	56	3.9%	1278	88.5%	87	6.0%
12.021	990	14	1.4%	948	95.7%	12	1.2%
13.012	599	13	2.2%	554	92.5%	20	3.3%
Total	3033	83	2.7%	2780	91.7%	119	3.9%

American Indian		Asian		Two or more races		
6	0.4%	1	0.1%	16	1.1%	
3	0.3%	4	0.4%	9	0.9%	
3	0.5%	0	0.0%	9	1.5%	
12	0.4%	5	0.2%	34	1.1%	

Source: US Census Bureau, Census 2000 SF1

For the area to be designated as an NRSA, there must be a low/moderate income population of approximately 70%. In the case of the Southside neighborhood, this requirement is met and exceeded. The designation of this neighborhood as an NRSA will allow the three block groups comprising this area to receive focused funding and development. The following shows the HUD median family income limits for the City of Durham, as of 2010:

Figure 2: HUD Income Limits (April 2010)

Family Size	Extremely Low Income	Very Low Income	Low Income	Moderate Income
1	\$14,350	\$23,750	\$28,500	\$38,000
2	\$16,300	\$27,150	\$32,580	\$43,400
3	\$18,350	\$30,550	\$36,660	\$48,850
4	\$20,350	\$33,900	\$40,680	\$54,250
5	\$22,000	\$36,650	\$43,980	\$58,600
6	\$23,650	\$39,350	\$47,220	\$62,950
7	\$25,250	\$42,050	\$50,460	\$67,300
8	\$26,900	\$44,750	\$53,700	\$71,650

Source: HUD

Given available Census data, the Southside neighborhood meets guidelines for LMI populations in NRSAs, with 81% of the neighborhoods' households falling under 80% of the median income for Durham County, \$43,337. More specifically, in 12.011, 80% of household incomes fall under this level; in 12.021, 86%; and in 13.012, 77%.

#### Consultation

Community participation is a critical component of the NRSA development process. A series of steering committee meetings related to the Southside neighborhood have taken place over the past year, which have been open to community members. These meetings were held primarily at the Hayti Heritage Center (with later meetings at Self-Help's building) on a monthly basis since September of 2009, with a longer business meeting and retreat on September 21, 2010.

The steering committee meetings have involved timeline- and agenda-setting for the redevelopment project, identifying major tasks (including outreach planning) and allowing for community input and inquiry related to this process. These meetings also included review of the charrette developed for the Southside neighborhood (see below), and have led to the creation of Program Outreach, Human Capital, and Housing subcommittees.

The charrette for the redevelopment of Southside (November 16 to 20, 2009) also incorporated citizen participation, with focus groups for youth, seniors, and parents. In addition, an "Ask the Mayor" meeting was held April 14, 2010, at the Hayti Heritage Center, so that Southside residents could inquire about the City's revitalization plan for the neighborhood. Finally, the Southside Consensus group, developed to obtain community input, held a "Walk a Mile in My Shoes" event on August 28, 2010, to present insights gained from canvassing the Southside neighborhood.

A two- day retreat was held with residents, members of the non-profit community, the City of Durham and the private sector. This was an effort to inform, integrate and coordinate work details to achieve identified goals for redevelopment for the next year. Six arenas were defined, prioritized, and critical resources identified. These arenas included: (1) increase neighborhood participation and communication; (2) improve community safety; (3) develop a master work/budget/funding plan (Redevelopment Plan); (4) implement training, recreation and healthy living programs; (5) neighborhood clean-up and preparation for redevelopment; and (6) repair and begin construction of single family homes.

A Public Input Meeting was held on March 2, 2011 to provide residents, lenders, realtors, and community stakeholders to share ideas and opinions regarding the proposed NRSA.

# <u>Assessment</u>

# **Housing Market Analysis**

The Southside area primarily consists of single-family units in substandard condition. These are mainly rental units that are owned by a few landowners. The area also offers proximity to the American Tobacco Trail, as well as a community resource center sponsored by Self-Help. Self-Help has targeted Southside for single-family unit development of low-income and market-rate homeownership opportunities.

In addition, the area is the site of a failed redevelopment project built by a private developer in the 1980s. During this redevelopment, poor quality townhomes and patio homes were constructed in a reconfigured street pattern. The development design was one of secluded cul-de-sacs, with only two streets leading in and out of the development. Now, the area is primarily boarded-up houses surrounded by vacant land; however there are some owner-occupied and rental single-family homes in the area. In an effort to redevelop the neighborhood, the City of Durham facilitated a voluntary acquisition process and, has acquired or is in the process of acquiring all the private properties on site.

## Housing Stock

Compared to the growth in housing units for the City and County as a whole, the strategy area experienced a *decrease* in housing units between 1990 and 2009.<sup>1</sup> The loss in the number of housing units is largely attributed to dilapidated single family detached units being demolished. While the overall trend is of decreasing housing stock, the area did gain ten single-family units in the between 1990 and 2000.<sup>2</sup> These single family units were part of larger development project, which was never completed.

### Housing Type

According to the 2000 US Census, the area housing stock consists primarily of single-family houses (48.6%) and duplexes (21.9%).

Figure 3: Housing Type

	United	Durham	Study
Housing Unit Type	States	County	Area
1-unit, detached and attached	65.9%	62.4%	48.6%
2 units	4.3%	4.9%	21.9%
3 or more	22.0%	31.0%	28.6%
Other	7.8%	1.6%	0.8%
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Source: US Census Bureau, Census 2000 SF3

<sup>1</sup> US Census Bureau. (n.d.). *American factfinder*. Retrieved from http://factfinder.census.gov/home/saff/main.html? lang=en

http://factfinder.census.gov/home/saff/main.html? lang=en.

Warren and Associates Real Estate Advisory. (2009). Rolling Hills and Southside redevelopment study.

# **Housing Conditions**

Houses in the area are older overall than those in the rest of the City of Durham or Durham County. The median year housing structures were built in the study area is 1956, compared to 1977 for Durham County.<sup>3</sup> Older homes tend to require additional funding for upkeep; however, many low-income households are often unable to budget for adequate repairs. Consequently many of these older homes in the study have not benefited from routine maintenance and suffer from disrepair. To ensure the safety and decency of these older homes funding is necessary for urgent repairs.

Figure 4: Age of Housing Units

Year Structure Built	United States	Durham County	Study Area
1999 to March 2000	2.4%	3.9%	0.0%
1995 to 1998	7.3%	10.2%	1.8%
1990 to 1994	7.3%	9.9%	3.0%
1980 to 1989	15.8%	20.6%	15.1%
1970 to 1979	18.5%	18.4%	8.0%
1960 to 1969	13.7%	14.2%	23.9%
1940 to 1959	20.0%	16.5%	33.9%
1939 or earlier	15.0%	6.4%	14.3%

Source: US Census Bureau, Census 2000 SF3

## Occupancy and Tenure

As of 2000, the area had a total of 1329 occupied housing units. Of these units, just 338 or 25.4% were owner occupied households.<sup>4</sup> The rate of owner-occupancy is much lower for this area than for Durham County as a whole, which has an owner-occupancy rate of 54.3%. Hand in hand with the low level of homeownership, the issue of absentee landlords creates challenges for the area. Thus, the area suffers from a lack of investment in the physical appearance of the neighborhood.

Figure 5: Households by Occupancy

Occupancy Type	United States	North Carolina	Durham County	Study Area
Owner occupied	66.2%	69.4%	54.3%	25.4%
Renter occupied	33.8%	30.6%	45.7%	74.6%

Source: US Census Bureau, Census 2000

The area also suffers from a high rate of vacancy relative to Durham County. There were 235 vacant units in the study area as of 2000. Using 2000 US Census data, this amounts to a vacancy rate of 15%, compared to 6.7% for Durham County. The high

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<sup>&</sup>lt;sup>3</sup> Social Explorer. (n.d.) Retrieved from http://www.socialexplorer.com.libproxy.lib.unc.edu.

<sup>&</sup>lt;sup>4</sup> US Census Bureau.

level of vacancy in the study area is in part due to the many abandoned properties in the area.

# Homeownership

Housing value for owner-occupied housing units in the study area is much lower than those in Durham County. The median house value for owner-occupied housing units in the study area is below is \$55,000 for track 12:01, \$79,700 for track 12:02, and \$70,600 for track 13:01; compared to the value of \$129,000 for Durham County.<sup>5</sup>

Figure 6: Housing Value

Value	United States	Durham County	Study Area
Less than \$50,000	9.9%	3.2%	14.5%
\$50,000 to \$99,999	30.4%	26.7%	78.0%
\$100,000 to \$149,999	23.7%	34.8%	7.4%
\$150,000 to \$199,999	14.6%	19.7%	0.0%
\$200,000 or more	21.4%	15.6%	0.0%

Source; US Census Bureau, Census 2000 SF3

# Rental Affordability

Rental affordability is calculated as 30 percent of annual household income. As of 1999, 45.8% of renters in the study area pay 30 percent or more of their income on rent, meaning they suffer from excess housing cost burdens.<sup>6</sup>

Figure 7: Rental Affordability

Gross Rent as a Percentage of Household Income in 1999	United	Durham County	Study Area
Less than 15 percent	18.1%	16.9%	23.5%
15 to 19 percent	14.3%	14.1%	6.1%
20 to 24 percent	12.8%	14.6%	8.5%
25 to 29 percent	10.4%	10.4%	7.0%
30 to 34 percent	7.3%	7.6%	6.1%
35 percent or more	29.5%	30.3%	39.7%
Not computed	7.5%	6.3%	9.1%

Source: US Census Bureau, Census 2000 SF3

<sup>&</sup>lt;sup>5</sup> US Census Bureau.

<sup>&</sup>lt;sup>6</sup> US Census Bureau.

### Lead-Based Paint Hazards

Homes built prior to 1978 are more likely to contain lead-based paint. As children are at higher risk for lead poisoning, homes built prior to 1978 that contain children are considered higher risk. The median year a structure was built in the study area is 1956, indicating that lead-based paint hazards could be a potentially serious issue in the study area. However, testing conducted by the City has detected a low incident of lead based paint in many of the structures in the area.

# **Utility Burdens**

Utility burden is defined as spending more than 6% of household income on energy bills. A recent study estimates that in 9,088 households in Durham County with incomes less than 75% of the federal poverty level, household energy bills during 2009 ranged between 27% and 67% of household income (see Figure 8 below). Since a large portion of residents in the Study Area are low-income, utility burdens are an issue.

Figure 8: Utility Burdens

Household Income	Number of Households in Durham County	Energy Bills as % of Household Income
Less than 50% Federal Poverty		
Level	6,547	67.0%
50% -75% of Federal Poverty Level	2,541	26.8%
75% - 99% of Federal Poverty		
Level	2,810	19.1%
100% - 124% of Federal Poverty		
Level	3,436	14.9%
125% - 149% of Federal Poverty		
Level	3,874	12.2%
150% - 185% of Federal Poverty		
Level	4,888	10.0%

Source: www.homeenergyaffordabilitygap.com

### **Economic Overview**

Traditionally, manufacturing, healthcare, and retail trade positions have dominated the area, which has shown steady growth between 2000 and 2008. The combined Durham-Chapel Hill and Raleigh-Cary MSAs had a total of 781,688 jobs in 2008, up 14.3% from 683,971 jobs in 2000. The sectors posting the strongest growth between 2000 and 2008 were Health Care and Social Assistance (+31,156 jobs), Government (+20,945 jobs),

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<sup>&</sup>lt;sup>7</sup> Social Explorer.

<sup>&</sup>lt;sup>8</sup> Fisher, Sheehan & Colton. (2010) *The home energy affordability gap.* Retrieved from www.homeenergyaffordabilitygap.com.

Professional and Technical Services (+14,619 jobs), and Accommodation and Food Services (+13,836 jobs). Sectors with the greatest employment declines were Manufacturing (-15,886 jobs), Information (-3,661 jobs), and Transportation and Warehousing (-2,620 jobs).9

Most employment growth in the combined Durham-Chapel Hill and Raleigh-Cary MSAs has been in Research Triangle Park, located five miles southeast of the NRSA, and in Northeast Wake County, located 15 miles to the east. Duke University and Health System, approximately two miles west of the Southside and Rolling Hills neighborhoods, is another major Durham employer that has expanded over the last decade. 10

# Civilian Labor Force and Resident Employment

Employment in the Durham-Chapel Hill, NC, MSA has also trended favorably in terms of its growth, its recovery from the recession, and its comparison to the state rates. Five years ago, in August of 2005, the labor force included 248,959 individuals. Only 10,994 of these individuals were unemployed, suggesting an unemployment rate of 4.4%. Last year, in August of 2009, the labor force grew to 259,044 individuals; however, due to the recession and nationwide economic instability, 21,431 of these individuals were unemployed, suggesting a unemployment rate of 8.3%. This past year the labor force experienced continued growth, as the overall labor force escalated to 265,290 individuals in August of 2010. The number of unemployed individuals decreased by over 2,000 to the current figure of 19,280, reflecting an unemployment rate of 7.3% in August 2010.<sup>11</sup>

These numbers reflect favorably upon the Durham area's economy, where the labor force has continued to grow and the unemployment rate remains below the state average (9.7%). 12

### Sector-by-Sector Job Growth:

As mentioned above in the economic overview, the economy of the Durham-Chapel Hill, NC MSA has undergone a shift over the past ten years from a manufacturing and warehousing based economy to one based on services, specifically in the healthcare, professional, technical, and government sectors. A breakdown of the job market by sector can be found in the chart below, which displays the change from 2000 to 2008.

<sup>10</sup> Warren and Associates Real Estate Advisory.

<sup>&</sup>lt;sup>9</sup> Warren and Associates Real Estate Advisory.

<sup>&</sup>lt;sup>11</sup> North Carolina Employment Security Commission. (2010, August). Civilian labor force estimates for NC metropolitan areas, Durham-Chapel Hill MSA.

12 North Carolina Employment Security Commission. (2010, August). Statewide labor force estimates.

Figure 9: Job Growth by Sector

	Number of	Number of	Change, 2	000-2008
	Workers	Workers		
Industry	in 2000	in 2008	Number	Percent
Agriculture Forestry Fishing & Hunting	2,846	2,815	-31	-1.1%
Mining	1,022	782	-240	-23.5%
Utilities	N/A	2,424	N/A	N/A
Construction	41,317	46,534	5,217	12.6%
Manufacturing	89,580	73,694	-15,886	-17.7%
Wholesale Trade	25,087	30,606	5,519	22.0%
Retail Trade	76,745	82,138	5,393	7.0%
Transportation and Warehousing	14,867	12,247	-2,620	-17.6%
Information	24,638	20,977	-3,661	-14.9%
Finance and Insurance	20,951	27,639	6,688	31.9%
Real Estate and Rental and Leasing	9,950	11,944	1,994	20.0%
Professional and Technical Services	48,109	62,728	14,619	30.4%
Management of Companies and				
Enterprises	8,451	11,773	3,322	39.3%
Administrative and Waste Services	48,653	47,295	-1,358	-2.8%
Educational Services	12,550	18,847	6,297	50.2%
Health Care and Social Assistance	59,090	90,246	31,156	52.7%
Arts Entertainment and Recreation	7,684	9,232	1,548	20.1%
Accommodation and Food Services	47,814	61,650	13,836	28.9%
Other Services Ex. Public Admin	19,633	22,807	3,174	16.2%
Unclassified Establishments	N/A	2,963	N/A	N/A
Government	121,402	142,347	20,945	17.3%
Total	683,971	781,688	97,717	14.3%

Source: North Carolina Employment Security Commission

# Non-Housing Community Development

There are several obstacles that low- to moderate-income individuals must overcome in order to take advantage of job opportunities. Many low- to moderate-income individuals have limited education and job skills. The necessity to work lower paying jobs to meet immediate needs often makes it difficult for these individuals to get the additional education and job training necessary to secure higher paying employment. Transportation and an inability to access affordable childcare are also major obstacles to getting better paying jobs. Much of the new, higher wage, job growth for Durham residents in recent years has taken place in central Durham (through Duke Hospitals), in the Research Triangle Park, and in Eastern Wake County. Simultaneously, many manufacturing jobs have been lost as factories have been closed or reduced their operations.

Thus, many individuals seeking higher wage employment have been forced to utilize the area's well developed and accessible highly connected transportation system. Employees within Durham are able to access jobs in central Durham through the DATA (Durham Area Transit Authority) bus system with its three bus lines. The DATA transportation system also connects Durham residents through the RTP via transfer at the Triangle Transit Regional Transit Center in Raleigh. Finally, the job growth in Eastern Wake County can be reached by Durham residents via the CAT transportation system, which connects to the DATA at the Triangle Transit Center in Moore Square Park, central to downtown Raleigh. Because of the availability of a far-reaching yet affordable public transportation system as well as the proximity (within a walking distance of downtown Durham), we believe the residents of Durham and the subject neighborhood will be able to reach their employment destinations with minimum difficulty or cost.

# **Opportunities**

## Housing-Related

Self-Help Low-Income Homeownership Program

The nonprofit Center for Community Self-Help (Self-Help) is a Durham-based organization committed to helping provide financing, technical support, consumer financial services, and advocacy to those who are economically disadvantaged. Self-Help is one of the largest providers of prime mortgage products to low-income and minority homebuyers in the United States. In an effort to land bank properties for future development, Self-Help has purchased and demolished approximately 85 problem properties. Most of the sites were occupied by poorly maintained or abandoned dwellings constructed in the early- to mid-20<sup>th</sup> century. Self-Help, working in coordination with the City, has committed to build for-sale housing units. These single-family homes, on scattered lots primarily in the south side area, would be sold to qualifying buyers.

Additionally, in 2008, Self-Help converted a duplex located in the center of the neighborhood into the Southside Community Center to serve area residents. The community center provides a gathering place for the community as well as a computer lab used by job seekers and local youth.

### Tipping Point Project

The "tipping point" project is a City-led initiative in collaboration with developer McCormack Baron Salazar and the Center for Community Self Help which will offer a mixture of low-income and market-rate apartments and single family units for both rental and homeownership opportunities. MBS will develop approximately 250 rental units and its partners will construct 40 homeownership units. This project will also incorporate superior design elements and construction quality.

Opportunities for Upgrades to Existing Owner-occupied Housing

City officials are working with current homeowners in the strategy area to extend opportunities for maintenance and upgrades to existing owner occupied housing.

The City of Durham provides a variety of community development efforts through the use of Community Development Block Grant (CDBG) and Home Investment Partnership Program funds: These efforts include:

*Urgent Repair Grants:* The City provides Urgent Repair grant funds to elderly or disabled families at or below 50% AMI. These funds are administered in cases where the occupants' health and safety are at risk. Individual grant awards may not exceed \$7,500.

Owner-Occupant Housing Rehabilitation Program: The City provides low-interest (currently 2%) loans for low-income (80% AMI or less) owner-occupants. The loan amount may not exceed \$50,000 and is repayable over 20 years. The city also has a specific forgivable loan program for Southside where all owner-occupants at 80% AMI may qualify for a secured loan forgiven over a period of five years.

Energy Efficient/Weatherization Program: Utilizing a portion of CDBG funds, the City partners with Operation Breakthrough to provide energy efficiency and weatherization repairs to low-income households.

### Former Whitted School Redevelopment

The former high school is situated at the southern edge of the strategy area next to the Hillside Park. The school was relocated and the building sits vacant. Durham County owns the property and currently has a working committee to assess potential future uses for the building, including housing for seniors.

#### **Economic**

# Financing Opportunities

The City of Durham will continue to leverage partnerships with federal, local, and non-profit organizations that include Self-Help, Habitat for Humanity, Builders of Hope, and Durham Community Land Trustees, and others, to assist in the financing and construction of new residential development.

# Challenges

The Southside area has experienced a very high level of crime in the past several years. In the redevelopment area for 2009, there were 117 index crime reports and 3.063 calls for service.

The Durham Police Department has put together a report which compares crime in the redevelopment area to crime in the overall City, based on the inputs of land area and density. <sup>13</sup> The redevelopment area is .19395 square miles, or roughly 1/5th of a square mile. Converted to a common scale of 1 square mile, there was the equivalent of 603 index crime reports in the redevelopment area for 2009, including 139 violent crime reports. For the same period, there were 13,355 index crime reports in the entire City, which is 105.82937 square miles, or 126 index crime reports per square mile; meaning there were nearly 5 times as many index crime reports per square mile in the redevelopment area as the entire City.

To provide a different perspective, there were 339 violent crime reports in the Operation Bulls Eye area from May 2006 through April 2007, which was used as the basis for a year-long police initiative due to the disproportionate amount of violent gun crime in the 2 square mile area. That equates to 170 violent crime reports per square mile, 22% more than the redevelopment area, but more than 11 times higher than the 14 per square mile in the City for 2009. Among the four densest areas for violent crime in 2009 was a section centered along Enterprise Street in the redevelopment area. Finally, in looking at drug arrests, the Durham Police Department found that 2.4% of the total charges in the City (73/3,061) were in the redevelopment area, which encompasses only 0.2% of the City's land.

### **Economic Empowerment Strategy**

The City of Durham's economic empowerment strategy focuses on microenterprise and economic development assistance programs that will create meaningful employment opportunities and promote comprehensive neighborhood revitalization. To further develop the Southside neighborhood under NRSA designation, the City will focus on three areas:

- ◆ Economic vitality and job availability
- ◆ Housing market
- ◆ Physical environment and quality of life

### **Economic Vitality and Job Availability**

The following sources of funding will be available to the City of Durham and the office of Community Development to assist in the revitalization efforts of both the City and subject neighborhood:

<sup>&</sup>lt;sup>13</sup> Memo prepared by Jason Schiess, Durham Police Department Crime Analysis Supervisor.

- HOME
- Community Development Block Grant
- Community Development Block Grant Recovery
- Section 108
- · Community Development Program Income
- Bond Program Income
- Neighborhood Stabilization Program funds

The NRSA plan will help to improve the economic vitality and job availability for residents in the strategy area. The City of Durham will also use Section 108 loan funds within this strategy area. MBS will develop approximately 250 rental units and its partners will construct 40 homeownership units, (with pricing to be determined by the appraised value). A combination of targeted and strategic investments by the public sector will help create the "tipping point" for private investment.

This tipping point project will stimulate additional private economic development, including more mixed-use developments. Private investment opportunities include the redevelopment of a local shopping center into a mixed-use village with office and retail space, and the redevelopment of a 20-acre apartment community into a mix of retail/office space and 100 housing units.

### **Performance Measurement Benchmarks**

This section establishes benchmarks for the activities presented in this plan. In accordance with the Department of Housing and Urban Development (HUD) regulations, the City will report its accomplishments against its benchmarks in the Information Disbursement System (IDIS). The City will also identify in its Annual Action Plan the benchmarks it expects to achieve for that program year. Additionally, the City will report its progress at the end of each program year in its Consolidated Annual Performance Evaluation Report (CAPER). Over the four year period of the strategy, the City will work to accomplish the following benchmarks.

### **Goal 1: Residential Development**

#### Benchmarks

- 1.1 Construct 40 houses for sale to qualified homebuyers.
- 1.2 Provide down payment and closing costs assistance to 28 households.
- 1.3 Perform substantial rehabilitation or repairs on 10 existing owner occupied units.

1.4 Construct not less than 119 mixed-income rental units.

### Goal 2. Infrastructure

### **Benchmarks**

- 2.1 Install the public infrastructure necessary to serve the mixed income development.
- 2.2 Complete minor infrastructure and gateway improvements to support the marketing of the proposed homeownership units.

# Goal 3. Economic Development

### **Benchmarks**

- 3.1 Provide job training to 100 people.
- 3.2 Create 40 job opportunities relative to the construction of the housing units to be developed.
- 3.3 Create an environment that stimulates interest and encourages businesses to move into the NRSA.

# Goal 4. Neighborhood Identity and Marketing

### **Benchmarks**

- 4.1 Create a marketing strategy for the area which may include a website, logo, brochure, or a combination thereof.
- 4.2 Review and oversee the outreach and marketing plan developed by the property management team.